

Message Text

LIMITED OFFICIAL USE

PAGE 01 GENEVA 01684 121014 Z

47

ACTION EB-11

INFO OCT-01 EUR-25 IO-12 ADP-00 AF-10 ARA-11 EA-11 NEA-10

RSC-01 AGR-20 CEA-02 CIAE-00 COME-00 DODE-00 FRB-02

H-02 INR-10 INT-08 L-03 LAB-06 NSAE-00 NSC-10 PA-03

AID-20 CIEP-02 SS-15 STR-08 TAR-02 TRSE-00 USIA-12

PRS-01 OMB-01 OIC-04 RSR-01 /224 W

----- 049507

R 120930 Z APR 73

FM USMISSION GENEVA

TO SECSTATE WASHDC 8777

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION EC BRUSSELS UNN

USMISSION OECD PARIS UNN

LIMITED OFFICIAL USE GENEVA 1684

PASS STR

E. O. 11652: N/ A

TAGS: ETRD, GATT

SUBJECT: ITALIAN LAW 639

REF: (A) STATE 66143 (NOTAL) (B) ROME 2545

1. ITALIAN LAW 639 NOT SPECIFICALLY MENTIONED IN GATT WG
MEETING ON SUBSIDIES AND COUNTERVAILING DUTIES, WHICH STILL
IN PROGRESS. HOWEVER, US REP (KELLY) HAS TABLED A LIST OF
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 GENEVA 01684 121014 Z

EXPORT SUBSIDY PRACTICES THAT INCLUDES " REMISSION OF TAXES NOT BORNE BY THE PRODUCTS" AND A SUPPLEMENTARY LIST OF SUCH " TAXES OCCULTES." SUPPLEMENTARY LIST CONTAINS MORTGAGE TAXES, STAMP TAXES, AND SIMILAR TAXES AGAINST THE REMISSION OF WHICH US HAS COUNTERVAILED.

2. EC AND MOST OTHER DELS RECOGNIZED THAT THESE LISTS DIRECTED PRIMARILY AT ITALIAN LAW 639. IN FACT, PROF. BERNINI, WHO PLAYED LARGE VOCAL ROLE IN MARCH 29 ART. XXIII:1 CONSULTATIONS IN ROME (REF B), WAS ACTIVE (BUT SILENT) MEMBER OF EC DELEGATION DURING THIS DISCUSSION. PRESENCE OF BERNINI AND ANOTHER PARTICIPANT IN ROME CONSULTATIONS MAY INDICATE INCREASED ATTENTION AND CONCERN ITALIAN GOVERNMENT THIS QUESTION.

3. US CONTENDED THAT REBATES OF TAXES OCCULTES ALREADY PROHIBITED UNDER AD ART XVI BUT THAT PROHIBITION MIGHT BE MADE MORE SPECIFIC. CANADA SUPPORTED US. EC REP (DUGIMONT) SAID THAT SUCH TAXES NOT NOW PROHIBITED BUT DID NOT ANSWER US QUESTION OF WHETHER MORTGAGE TAXES WERE " TAXES BORNE BY THE PRODUCTS."

4. WG CONSIDERATION COUNTERVAILING DUTIES BEGINS MORNING APRIL 12. US PLANS BRING UP THIRD- COUNTRY EXPORT SUBSIDIZATION AND INADEQUACY GATT ART VI TO DEAL WITH THIS PROBLEM. US REP WILL NOTE THAT A CURRENT ART XXIII ACTION (ITALIAN LAW 639) IS TEST CASE OF EFFECTIVENESS ART XXIII REMEDY IN SUCH CASES AND WILL PROPOSE SOLUTION ALONG LINES SECTION 301(A) (3)(C) OF PROPOSED TRADE REFORM ACT OF 1973.

5. WILL REPORT ON MEETING WHEN CONCLUDED. RIMESTAD

LIMITED OFFICIAL USE

*** Current Handling Restrictions *** n/a

*** Current Classification *** LIMITED OFFICIAL USE

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 12 APR 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: boyleja
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973GENEVA01684
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: n/a
Errors: n/a
Film Number: n/a
From: GENEVA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730446/aaaaismpl.tel
Line Count: 100
Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 73 STATE 66143 (NOTAL) (B) ROME
Review Action: RELEASED, APPROVED
Review Authority: boyleja
Review Comment: n/a
Review Content Flags:
Review Date: 06 AUG 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <06-Aug-2001 by willialc>; APPROVED <06-Sep-2001 by boyleja>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> gwr 980126
Subject: ITALIAN LAW 639
TAGS: ETRD, SZ, GATT
To: BONN
BRUSSELS
COPENHAGEN
DUBLIN
EB
LONDON
LUXEMBOURG

SECSTATE WASHDC

THE HAGUE

Type: TE

Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005